

Message Text

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ACTION AGR-08

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FM AMEMBASSY ATHENS

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DEPARTMENT PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR CCC EAID GR

SUBJ: PROPOSED CCC PROGRAM FOR GREECE; USDA

MARKET DEVELOPMENT TEAM

REF: ATHENS 509

1. WE UNDERSTAND THE GOG IS APPLYING FOR APPROXIMATELY \$60 MILLION WORTH OF U.S. CORN AND BARLEY TO BE PURCHASED AT SPECIAL THREE-YEAR CREDIT TERMS UNDER THE COMMODITY CREDIT CORPORATION PROGRAM. EMBASSY STRONGLY SUPPORTS THIS REQUEST, FOR BOTH COMMERCIAL AND FOREIGN POLICY REASONS.

2. ALTHOUGH CCC IS NORMALLY PROVIDED ON ONE-YEAR TERMS, AGRICULTURAL ATTACHE HAS PROVIDED USDA WITH TECHNICAL DATA WHICH EMBASSY BELIEVES JUSTIFIES APPROVAL OF THREE-YEAR REPAYMENT PERIOD. THE PROPOSED PROGRAM WOULD PROBABLY PREVENT A DECLINE IN THE VOLUME OF ESTABLISHED COMMERCIAL SALES OF U.S. AGRICULTURAL COMMODITIES TO GREECE, AND WOULD ENABLE

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US TO MAINTAIN OUR SHARE IN THE GREEK MARKET FOR THESE

COMMODITIES.

3. IN ADDITIONAL TO THE IMPORTANT COMMERCIAL ASPECTS, EMBASSY BELIEVES THAT THE CREDIT UNDER CONSIDERATION CAN PLAY A SIGNIFICANT ROLE IN THE EVOLVING POLITICAL RELATIONSHIP BETWEEN GREECE AND THE UNITED STATES. FOLLOWING THE RESTORATION OF DEMOCRACY IN GREECE, THE GREEK GOVERNMENT HAS ASKED FOR UNITED STATES SUPPORT DURING THE CURRENT PERIOD OF CONSOLIDATING AND STABILIZING DEMOCRATIC INSTITUTIONS. IT IS UNITED STATES POLICY TO BE AS HELPFUL AS POSSIBLE TO THE GREEK GOVERNMENT, A POLICY REFLECTED IN PRESIDENT FORD'S REQUEST TO CONGRESS FOR A PACKAGE OF ECONOMIC AND MILITARY ASSISTANCE TO GREECE. THE PROPOSED CCC CREDIT WOULD BE INTERPRETED BY THE GOVERNMENT OF GREECE AS ANOTHER TANGIBLE EXPRESSION OF UNITED STATES SUPPORT, AND WOULD THEREFORE PROMOTE OUR INTERESTS IN GREECE.

4. DEPARTMENT OF AGRICULTURE VEGETABLE OILSEED MARKET DEVELOPMENT TEAM VISITED ATHENS JANUARY 30 - FEBRUARY 3, PURPOSE OF TEAM'S VISIT TO GREECE WAS TO ASSESS THE MARKET FOR VEGETABLE OILS AND ANIMAL FATS AND GREASES, AND TO DISCUSS THE AVAILABILITY OF U.S. SUPPLIES AND COMMODITY CREDIT CORPORATION CREDIT FOR ELIGIBLE AGRICULTURAL COMMODITIES. FOLLOWING BRIEFINGS BY AMBASSADOR AND ECONOMIC COUNSELOR, THE TEAM MET WITH REPRESENTATIVES OF THE SOAP, SOYBEAN PROCESSING, EDIBLE OILS, FAT FRACTIONATING AND LIVESTOCK FEED INDUSTRIES. ONE MEETING WAS ALSO HELD WITH THE DIRECTOR GENERAL, MINISTRY OF COMMERCE, WHO STRESSED GOG'S NEED FOR CCC CREDIT TO PURCHASE A MINIMUM OF 340,000 MT CORN AND 35,000 MT BARLEY TO COVER REQUIREMENTS THROUGH THIS FISCAL YEAR. (SEVERAL AGRICULTURAL ITEMS ELIGIBLE FOR CCC CREDIT ARE PURCHASED EXCLUSIVELY BY GOG). FOLLOWING THE MEETING WITH DIRECTOR GENERAL, THE TEAM WAS INTRODUCED TO MINISTER OF COMMERCE VARVITSIOTIS, WHO EMPHASIZED THE GOG'S INTEREST IN CCC CREDIT FOR THE PURCHASE OF CORN AND BARLEY.

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5. TEAM DETERMINED THAT AS A RESULT OF GREECE'S SURPLUS SUPPLY OF OLIVE OIL AND THE OPENING OF THE FIRST SOYBEAN CRUSHING PLANT THERE IS LITTLE MARKET POTENTIAL FOR U.S. SORCE SOYBEAN OIL. HOWEVER, THEY AGREED THAT FEEDGRAIN MARKET WILL CONTINUE TO GROW.

6. COMMENT: UNEXPECTED MEETING OF USDA TEAM WITH

COMMERCE MINISTER, AND SUBSEQUENT REMARKS TO ECONOMIC
COUNSELOR BY ALTERNATE MINISTER OF COORDINATION JOHN
BOUTOS, UNDERSCORE HIGH-LEVEL GOG INTEREST IN CCC
PROGRAM, PARTICULARLY AGAINST THE BACKGROUND OF
CONGRESSIONAL CUTS IN ADMINISTRATION'S PROPOSED
ECONOMIC/MILITARY ASSISTANCE PACKAGE. KUBISCH

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